



**State of Maryland  
OFFICE OF THE ATTORNEY GENERAL**

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**ANNUAL REPORT ON THE  
HEALTH INSURANCE CARRIER  
APPEALS AND GRIEVANCES PROCESS**

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HEALTH EDUCATION AND ADVOCACY UNIT  
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OFFICE OF THE ATTORNEY GENERAL**

**Submitted to the Governor and General Assembly**

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## Table of Contents

I.	Executive Summary .....	<a href="#">1</a>
II.	Overview of the Appeals and Grievances Process .....	<a href="#">3</a>
III.	Carrier Internal Grievances Process .....	<a href="#">4</a>
	Carrier Statistics FY 2002 .....	<a href="#">5</a>
IV.	Maryland Insurance Administration .....	<a href="#">6</a>
	MIA Statistics FY 2002 .....	<a href="#">7</a>
V.	The Health Education and Advocacy Unit .....	<a href="#">8</a>
	HEAU Statistics FY 2002 .....	<a href="#">9</a>
VI.	Positive Notes and Concerns .....	10
	Positive Notes .....	<a href="#">10</a>
	Areas of Concern .....	<a href="#">11</a>
VII.	Conclusion .....	13

VIII. Appendix .....	14
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Carrier Grievance Data

Grievances Reported by Carriers .....	15
Outcomes of Internal Grievances .....	18
Type of Service Involved in Grievances .....	19
Outcomes of Grievances by Type of Service .....	19
Percentages of Grievances Overturned or Modified Three Year Comparison .....	20
Adverse Decisions compared to Grievances Filed .....	21

MIA Complaint Data

Complaints Listed by Carrier .....	22
Complaints Reviewed by Appeals and Grievances Unit .....	24
Disposition of Complaints .....	26
Results of MIA Orders .....	27
Type of Service Involved in Complaints .....	27
Outcomes of Complaints by Type of Service .....	26

HEAU Case Data

Cases Listed by Carrier .....	28
Who Are Cases Filed Against? .....	34
Disposition of Cases .....	35
Who Filed Case? .....	36
Outcomes Based Upon Who Filed Case .....	36
Timing of Adverse Decision .....	37
Outcomes Based Upon Timing of Adverse Decision .....	37
Type of Service Involved in Cases .....	38
Outcomes of Cases by Type of Service .....	38
Types of Carriers .....	39
Outcomes of Cases by Regulatory Authority .....	39
Outcomes of Cases by Decision Type .....	40

## I. Executive Summary

The Health Education and Advocacy Unit of the Consumer Protection Division of the Office of the Attorney General (hereinafter referred to as HEAU or Unit) submits this annual report on the implementation of the Health Insurance Carrier Appeals and Grievances Law<sup>1</sup> (hereinafter referred to as the Appeals and Grievances Law) as required by the Maryland General Assembly.<sup>2</sup> HEAU is required to issue a report each November that summarizes the grievances and complaints handled by carriers, HEAU, and the Maryland Insurance Administration (MIA). HEAU is also required to evaluate the effectiveness of the internal grievance process and complaint process available to members and to propose any changes that the HEAU considers necessary to improve those processes.

As required by statute, this report will cover grievances and complaints handled during the state fiscal year 2002, beginning July 1, 2001 and concluding on June 30, 2002. The Appeals and Grievances Law is evaluated by:

- Summarizing the provisions of the law;
- Discussing implementation efforts of the health insurance carriers, MIA and HEAU; and,
- Presenting a statistical summary of grievances and complaints handled by carriers, MIA, and HEAU.

The following positive observations can be made about Maryland's Appeals and Grievances Law:

- The Supreme Court upheld "independent review" provisions similar to those in Maryland's Appeals and Grievances Law, finding them valid and not preempted by ERISA.
- As of January 1, 2002, the carriers are required to report the number of adverse decisions issued. This improved reporting requirement will provide a better overview of the appeals and grievances process.

The following are areas of concern identified by an analysis of the cases filed under the appeals and grievances law:

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<sup>1</sup>Md. Code Ann., Insurance §15-10A-01 through §15-10A-09.

<sup>2</sup>Report required by Md. Code Ann., Commercial Law §13-4A-04 and Insurance § 15-10A-08.

- In the 2000 legislative session the Appeals and Grievances Law was modified to require carriers, in the case of a retrospective denial, to allow a member or a health care provider on behalf of a member, at least 180 days after the member receives an adverse decision to file a grievance. However the improved time frame only applies to denials based upon medical necessity and not to cases denied on a contractual base. This situation could lead to member confusion and the possibility of a member missing the deadline to file a contractual appeal.
- As has been a continuing trend in the appeals and grievances process, patients seeking mental health and substance abuse services are less likely to have their denials overturned or modified during the appeals and grievances process. HEAU and MIA data for FY 2002 demonstrate that substance abuse cases may have different outcomes when compared to mental health cases and therefore need to be reviewed separately from mental health cases to allow full evaluation of the appeals and grievances process for these historically difficult cases.

## II. Overview of the Appeals and Grievances Process

The 1998 General Assembly enacted the Appeals and Grievances Law to provide patients a process for appealing their health insurance carrier's medical necessity "adverse decisions." In 2000 the General Assembly passed HB 405 entitled "Complaint Process of Coverage Decision"<sup>3</sup> which expanded the appeals and grievances process to include contractual "coverage decisions." As a result, patients in Maryland can challenge any decision by a carrier that results in the total or partial denial of a covered health care service.

As amended the Appeals and Grievances Law established two very similar processes for patients to dispute carrier determinations, one for carrier denials based upon medical necessity and a second process for contractual denials. For both types of denials the appeals and grievances process starts when the patient receives notice from the carrier that either an adverse or coverage decision has been rendered. An adverse decision is a finding by a health insurance carrier that proposed or delivered health care services are or were not *medically necessary*, appropriate, or efficient. A coverage decision is a determination by a carrier that results in the *contractual exclusion* of a health care service. Under the Appeals and Grievances Law carriers must provide patients a written notice that clearly states the basis of the carrier's decision, and that an external review of the decision is available through the Maryland Insurance Administration (MIA) following exhaustion of the carrier's internal process. The notice must also inform the patient that the Health Education and Advocacy Unit (HEAU) is available to mediate the dispute with the carrier or, if necessary, help the patient to file a grievance or appeal with their carrier.

After receiving the initial denial, the patient<sup>4</sup> may dispute the determination through the carrier's internal grievance or appeal process. The carrier has thirty working days to review adverse decisions involving pending care and forty-five working days for care that has already been rendered. For coverage decisions the carrier has sixty working days after the date the appeal was filed with the carrier to render a decision. At the conclusion of the internal grievance or appeal process the carrier must issue a written grievance decision or a written appeal decision to the patient.

If the carrier's final decision is unfavorable to the patient, the patient may file a complaint with MIA for an external review of the carrier's determination. Only when there is a compelling reason may patients may file a complaint with MIA prior to exhausting the internal grievance process.

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<sup>3</sup>Md. Code Ann., Insurance §15-10D-01 through §15-10D-04.

<sup>4</sup> Throughout this report we refer to the rights of patients during the appeals and grievances process. The Appeals and Grievances Law also gives health care providers the right to file appeals and grievances on behalf of their patients.

### III. Carrier Internal Grievance Process

All health insurance carriers regulated by the State of Maryland are required to establish a grievance process that complies with the provisions of the Appeals and Grievances Law. Health maintenance organizations, nonprofit health service plans, and dental plans are also covered by the requirements of the law.<sup>5</sup> The Appeals and Grievances Law establishes guidelines that carriers must follow in notifying patients of medical necessity and contractual denials, establishing grievance processes, and notifying members of grievance decisions.

The law also subjects carrier decisions to an external review by MIA. In cases of medical necessity denials, MIA can refer the case to medical experts at an Independent Review Organization (IRO) for evaluation and to provide MIA with an opinion as to the medical necessity of the care. MIA has the option of accepting or rejecting the opinion when making a final determination.

In addition, the Appeals and Grievances Law requires carriers to submit quarterly reports to MIA that describe the number and outcomes of internal grievances handled by the carriers. MIA then forwards the reports to HEAU for inclusion in this Report. While the quarterly report data submitted by carriers provides some basic insight into the carriers' internal grievance processes, its usefulness is limited by several factors, including:

- The carriers do not report data about each individual grievance. The carriers divide their data into medical service categories and report on the limited data within each category. As the categories are not standardized, reporting and categorizing may vary significantly from one carrier to another making it difficult to compare one carrier's data to that of another.
- The diagnosis and procedure information reported is incomplete. Carriers are required to report diagnostic or treatment codes for a limited number of complaints. While the limited data provides basic evaluative information, complete reporting would provide a more valuable tool in analyzing grievance data.
- Carriers are not required to identify the grievances that involved the MIA or HEAU. Since this information is not present, it is impossible to check the cases reported by carriers against the data recorded by MIA or the HEAU to verify the consistency of data reporting.

As of 2002 the data submitted by carriers was expanded to include the number of adverse decisions issued and to identify the type of service involved in each adverse decision. Six months of this data is furnished in this report and offers enhanced insight into carrier decisions and the grievance process. However, there is no historical data for comparisons and hence the data will be more useful when analyzed in HEAU's 2003 Annual Report.

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<sup>5</sup>Health plans offered by Medicare, Medicaid, the Federal Employee Health Benefit Plan and the federally regulated self-funded plans are not subject to the appeals and grievances requirements.

## Carrier Statistics FY 2002

In addition to the highlights below, charts providing statistical detail from the data submitted by the carriers appear on pages 14-20 of this report.

- Carriers report 3,896 internal grievances were filed in FY 2002, a 16% decrease from the grievances filed in FY 2001. Since carriers were not required to report total adverse decisions rendered until January 2002, it cannot be determined if the decrease in grievances filed represents a decrease in adverse decisions rendered.
- Overall, during the internal grievance process, carriers altered their original adverse decisions in a total of 53% of the grievances they received. They overturned their adverse decisions in 44% of the grievances and modified their determinations in 9% of the grievances filed. This represents a 3% decrease from FY 2001, when carriers reported changing 56% of their adverse decisions.
- Outcomes from the carriers' internal grievances process vary significantly based upon the type of service in dispute. These trends have remained fairly constant during the past three years, with adverse decisions related to pharmacy, radiology/laboratory services, and emergency room services much more likely to be reversed than adverse decisions involving mental health care and inpatient hospital services.
- Adverse decisions involving mental health/substance abuse services continue to be significantly less likely to be overturned or modified than other types of health care services. As reported in HEAU's FY 2001 Annual Report, carriers hit a three-year low and reversed only 24% of adverse decisions involving mental health/substance abuse services. For FY 2002 carriers reported a modest increase to 27% overturned or modified.

#### **IV. Maryland Insurance Administration**

The Maryland Insurance Administration (MIA) has regulatory oversight of insurance products offered in the State of Maryland. The General Assembly enacted the Appeals and Grievances Law in 1998 for medical necessity denials and expanded the law in 2000 to include contractual denials. It provided MIA with the financial resources needed to handle the increased caseload and to have medical experts review the carriers' medical necessity adverse decisions. In addition to granting MIA the specific authority to order external reviews, the law also describes their responsibilities and established deadlines for cases involving urgently needed care.

When MIA receives a written complaint from a patient or provider, it reviews it to determine if the complaint raises issues subject to the Appeals and Grievances Law. If the Appeals and Grievances Law applies then MIA must confirm that the carrier's internal grievance process has been fully exhausted. The law requires the internal process be exhausted prior to MIA examining a carrier's adverse decision unless there is a compelling reason for review prior to exhaustion. If the carrier's internal process has been exhausted or there is a compelling reason to bypass the internal grievance process, MIA will contact the carrier in writing requesting a written response to the complaint. The carrier may respond to MIA by confirming or reversing its denial or by providing additional information related to the complaint. When MIA does not have jurisdiction or the carrier's internal process has not been exhausted, MIA refers the case to HEAU for an ombudsman to assist the patient through the grievance process.

If the carrier upholds a denial that is subject to the Appeals and Grievances Law, then MIA's investigator prepares the case for review. As part of the preparation, the investigator contacts the appropriate parties in writing, giving them a deadline for submitting additional documentation to be considered in the review. The parties, including the carrier, are notified simultaneously. Once MIA receives the proper documentation, the file is forwarded to an Independent Review Organization (IRO) for medical necessity review, or to an MIA reviewer for contractual denials. The IRO is asked to respond to specific questions set forth in a cover letter.

If the reviewer's recommendation is to overturn the carrier's denial, and the Insurance Commissioner agrees, an order is issued and forwarded in writing to the carrier, along with a notice that the carrier has the right to request a hearing challenging the order. The patient or provider who filed the complaint is notified of the outcome by telephone, if possible, and then by mail.

If the reviewer's recommendation is to uphold the carrier's denial, and the Insurance Commissioner agrees, the patient or provider is informed of the decision, by phone if possible, and that they have the right to request a hearing. The carrier is also informed of this decision by phone, and if warranted by mail.

For urgently needed care MIA conducts an expedited external review, usually completing the above process within 24 hours. A hotline number (1-800-492-6116) is available 24 hours a day, 7 days a week to respond to these emergency cases.

## **MIA Statistics FY 2002**

In addition to the highlights listed below, charts providing statistical detail of the disposition of MIA cases appear on pages 21-26 of this report.

- The Appeals and Grievances Unit of MIA reviewed a total of 1221 cases that were filed between July 1, 2001 and June 30, 2002.
- After reviewing these cases, MIA determined that 564 involved adverse decisions issued by health insurance carriers they regulated.
- Of the 564 meeting the above criteria, MIA referred 285 to HEAU because the patient had not yet exhausted the carrier internal grievance process and there was no compelling reason to review the adverse decision prior to the exhaustion of the carrier's internal grievance process.
- MIA initiated reviews of 279 cases in which patients challenged the grievance decision of their health insurance carrier. Carriers reversed their grievance decisions in 87 (31%) of these cases before MIA issued an order.
- During FY 2001, MIA issued 192 orders in cases related to carrier decisions in appeal and grievance cases.
- Of the 192 orders issued MIA upheld 143 or 75% of the carrier decisions, overturned 39 or 20% of the decisions, and modified 10 or 5% of the decisions.
- Of the total of 279 cases in which MIA initiated a review, the carriers' adverse decisions were overturned or modified, either voluntarily or by MIA order in 49% of the cases.

## **V. The Health Education and Advocacy Unit**

The Health Education and Advocacy Unit (HEAU) was established by an act of the 1986 General Assembly. The primary mission of HEAU was to assist health care consumers in understanding health care bills; third party coverage; identifying improper billing or coverage determinations; to report billing and/or coverage problems to appropriate agencies; and, to assist patients with health equipment warranty issues. To fulfill these responsibilities, HEAU built upon the established mediation program within the Consumer Protection Division of the Attorney General's Office. Based upon HEAU's successful mediation efforts, the General Assembly selected the Unit to be the first line consumer assistance agency when they passed the Appeal and Grievances Law in 1998.

The Appeals and Grievances Law requires that health insurance carriers notify patients that HEAU is available to assist them in appealing an adverse decision. With each adverse decision issued, carriers must provide patients with HEAU's contact information and inform them that assistance may be obtained by calling HEAU's toll-free hotline (1-877-261-8807). In addition, HEAU conducts outreach programs to increase patient and provider awareness of the rights and resources granted under the Appeals and Grievances Law.

When HEAU receives a request for assistance, the Unit gathers basic information from the health insurance carriers related to the services or care denied. Specifically, the Unit requires the insurance contract provisions or the utilization review criteria upon which the carrier based the denial to initiate a review. The carrier is asked to identify precisely which provision or criteria the patient failed to meet. Once the carrier responds to HEAU, the Unit gathers information from the patient and provider relating to the patient's condition. The object is to assemble all relevant information or documents necessary for the carrier to determine if the patient meets the criteria established by the health plan, or that the contractual denial is incorrect. HEAU then presents this information to the carrier for reconsideration of the denial. Many complaints are resolved during this information exchange process. However, when necessary, HEAU will prepare and file a formal written grievance with the health insurance carrier on behalf of the patient.

If, at the conclusion of the grievance process, the carrier continues to deny the care, the patient or provider may request that HEAU transfer the case to MIA for external review. HEAU furnishes MIA with a copy of the case file with all relevant medical and insurance documentation obtained during the mediation efforts.

## **HEAU Statistics FY 2002**

In addition to the highlights listed below, charts providing statistical detail of the disposition of HEAU cases appear on pages 28-40 of this report.

- HEAU closed 2,664 cases during FY 2002, representing a 17% increase over the number of complaints closed during FY 2001.
- FY 2002 was the first full year contractual denials were subject to appeals and grievances remedies, and 69% of HEAU's mediated appeals and grievances cases fell into this category.
- Following the trend reported in our 2001 report, the outcomes from the "contractual denial" cases are very similar to the outcomes from the "medical necessity denial", with 65% of the contractual denial cases overturned or modified by the carrier compared to 68% of the "medical necessity denial" cases.
- HEAU assisted patients in obtaining more than \$1.5 million in claims payments in mediated appeal and grievance cases in FY 2002, bringing the total to more than \$4.25 million in claims payments related to the appeal and grievance cases since the law became effective in January 1999.
- Based upon a comparison of HEAU data and the data reported by carriers, patients who seek assistance from HEAU during the grievance process are more likely to have a positive outcome than those patients who file grievances on their own. Carriers reported changing 53% of adverse decisions during the grievance process, while HEAU mediation efforts resulted in adverse decisions being changed in 73% of cases involving carriers subject to MIA regulations.
- In cases filed against health plans not subject to review by MIA, HEAU mediation efforts resulted in carriers changing their decisions 58% of the time.

## VI. Positive Notes and Concerns

Based upon the HEAU's experiences in implementing the appeals and grievances process, we have identified the following points regarding both positive developments and areas of concern as follows.

### Positive Developments

*The Supreme Court upheld "independent review" provisions similar to those in Maryland's Appeals and Grievances Law, finding them valid and not preempted by ERISA.*

In FY 2002 approximately 29% of the HEAU's appeals and grievances cases were exempt from state regulation because they involved self-insured plans subject to the Employee Retirement Income Security Act of 1974 (ERISA).<sup>6</sup> As reported in previous Annual Reports, HEAU's mediation efforts are less successful for patients in self-insured plans than for patients in state regulated plans. For FY 2002 carriers' adverse decisions were overturned or modified in 58% of the cases involving self-insured plans while carriers subject to state regulation changed their decisions in 73% of the cases. Therefore, HEAU and the Attorney General were concerned when possible federal action threatened to limit the number of Marylanders benefitting from Maryland's appeal and grievance laws and state insurance regulatory oversight.

As reported in the HEAU 2001 Annual Report, the Supreme Court accepted for review the case of *Rush Prudential HMO Inc. v. Moran*, involving ERISA preemptions. In that case the Seventh Circuit had upheld an Illinois court's finding that ERISA does not preempt state law requiring HMOs to provide an independent review of coverage denial decisions. As Maryland and 40 states have similar appeal and grievance laws, it was important that the Supreme Court ruling allow states to continue to implement independent review of health insurance carrier decisions. The Attorney General and the National Association of Attorneys General submitted an Amicus Brief to the Supreme Court supporting the Illinois independent review law.

On June 20, 2002, the U.S. Supreme Court rendered a decision<sup>7</sup> upholding the Illinois HMO Act, ruling that patients have a right to independent review of an HMO's refusal to pay for medical treatments. By a five to four majority, the Court held that the Act's "independent review" provisions were valid and not preempted by ERISA.

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<sup>6</sup>ERISA establishes the regulation of employee benefit plans "as exclusively a federal concern." *New York State Conference of Blue Cross & Blue Shield Plans v. Travelers Ins. Co.*, 514 U.S. 645, 656 (1995). ERISA's general preemption clause, § 514(a), 29 U.S.C. § 1144(a), preempts "all state laws insofar as they . . . relate to any employee benefit plan."

<sup>7</sup>*Rush Prudential HMO, Inc. v. Moran*, 122 S.Ct. 2151, 153 L.Ed.2d 375 (2002).

Ideally, comprehensive protections similar to those provided by Maryland will be expanded to patients in ERISA plans through a federal Patients Bill of Rights. This action would allow HEAU to provide equal assistance to Marylanders in ERISA and state-regulated plans.

### **Areas of Concern**

*The minimum time of 180 days to file an internal grievance for a retrospective denial with the insurance carrier applies only to denials based upon medical necessity and not to coverage determinations.*

The 2001 General Assembly passed SB 856 amending the Appeals and Grievances Law to improve patient access to the carriers' grievances process. In response to restrictive deadlines the law was amended, requiring that carriers allow patients 180 days to file a grievance after the carrier renders a retrospective adverse medical necessity decision.

However, SB 856 did not establish the same requirement for denials of health care services based upon contractual exclusions. The Appeals and Grievance Law sets no standardized appeal time frames for contractual denials, and therefore deadlines can vary from carrier to carrier. Additionally, there is great potential for a patient who has experienced a medical necessity denial in the past, not to recognize the difference in a contractual denial and assume that they have 180 days to file, and consequently miss the opportunity to appeal. During FY 2002 HEAU was contacted by several patients who were delayed in filing an appeal with the carrier and were effectively denied access to the appeal and grievance process due to restrictive deadlines.

*As documented in previous HEAU Annual Reports, patients seeking mental health or substance abuse services were less likely to have their denial changed during the appeals and grievances process. For FY 2002 substance abuse cases were much less likely than any other type of case mediated by HEAU to be overturned or modified by the carrier.*

Previous HEAU Annual Reports have discussed that patients challenging denials for mental health and substance abuse services were less likely to have a carrier change its original decision than patients challenging other types of medical service decisions. This year both MIA and HEAU reported mental health cases separately from substance abuse cases. This will make it easier to identify possible problems and to review outcomes. Unfortunately the carrier data continues to combine mental health and substance abuse services, preventing a comprehensive assessment of the carriers' internal appeals and grievances process for these services. Carriers reported that only 27% of the patients challenging adverse decisions involving mental health care were successful in getting those denials overturned or modified, but this includes their substance abuse cases.

The HEAU and MIA data for FY 2002 show that there are differences in the outcomes of mental health and substance abuse cases that warrant the data being reported separately. In cases mediated by HEAU, carriers upheld their adverse decisions in 60% of the substance abuse cases

compared with 30% of the mental health cases. MIA overturned or modified the carrier's determination in 59% of the substance abuse cases while 33% of the mental health cases were overturned or modified. As a review of the MIA and HEAU data shows, there can be differences in outcomes of mental health and substance abuse cases. This argues for carriers reporting adverse decisions, grievances, and appeals for mental health cases separately from substance abuse cases, thereby allowing a more complete assessment of the appeals and grievances process.

## **VII. Conclusion**

Maryland's Appeals and Grievances Law continues to provide significant assistance to patients challenging health insurance adverse decisions. Since the law became effective in 1999 enhancements have improved patient access to the assistance provided by HEAU and MIA by requiring better notices to patients, lengthening patient deadlines, and broadening the scope of the types of denials covered. By revising the carrier data requirements, the General Assembly has provided better information necessary to evaluate the environment patients face in the health care market. As a result, the protections afforded by Maryland's Appeal and Grievance Law continue to be cited as a positive dispute resolution process for our citizens.

However, there are still some patient barriers to the health insurance carriers' appeal and grievance processes, as well as barriers to services provided by state agencies. As highlighted in this report, the Appeals and Grievance Law sets no standardized appeal time frame for contractual denials, unlike adverse medical necessity decision where carriers must allow patients 180 days to file a grievance for retrospective denials. Additionally, to provide meaningful assessment of the appeals and grievance process carriers should be required to report mental health adverse decisions, grievances, and appeals separately from substance abuse decisions.

Finally, and perhaps beyond the scope of the state legislative process, ERISA plans that are exempt from state regulation would benefit from comprehensive protections similar to those provided by Maryland. As in previous years HEAU will continue to support a federal Patients Bill of Rights that does not preempt state protections and that perhaps extends protections to patients in ERISA plans. Improvements in these areas would allow HEAU and MIA to provide greater assistance to Marylanders.

## VIII. Appendix

# Carrier Grievance Data

## Grievances Reported by Carriers

### Fiscal Year 2002

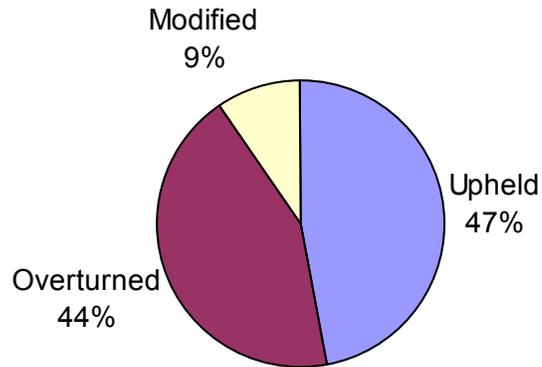
Carrier	Adverse Decisions		Grievances						
	Total	Adm in. Reversal	Total	Upheld		Overturned		M odified	
Aetna U.S. Healthcare - Largo, MD	1460	92	123	48	39%	70	57%	5	4%
Allianz Life Insurance Co. of North America	0	0	6	4	67%	2	33%	0	0%
American Republic Insurance Co.	0	0	1	0	0%	1	100%	0	0%
Ameritas Life Insurance Corporation	6	2	22	22	100%	0	0%	0	0%
CapitalCare, Inc	0	0	20	17	85%	3	15%	0	0%
CareFirst BlueChoice, Inc.	758	12	26	9	35%	15	58%	2	8%
CareFirst of Maryland Inc.	6446	33	772	459	59%	227	29%	86	11%
Celtic Insurance Company	0	0	12	8	67%	4	33%	0	0%
CGNA DentalHealth of Maryland, Inc.	0	0	1	1	100%	0	0%	0	0%
CGNA Healthcare Mid-Atlantic, Inc.	338	3	267	100	37%	142	53%	25	9%
Companion Life Insurance Company	29	0	29	4	14%	23	79%	2	7%
Connecticut General Life Insurance Co.	429	5	348	137	39%	192	55%	19	5%
Conseco Medical Insurance Company	0	0	6	4	67%	2	33%	0	0%
Continental Casualty Company	0	0	2	1	50%	1	50%	0	0%
Continental General Insurance Co.	0	0	1	1	100%	0	0%	0	0%
Coventry Health Care of Delaware	201	0	117	9	8%	108	92%	0	0%
Delmarva Health Plan, Inc.	11	0	15	9	60%	5	33%	1	7%
Dental Benefit Providers of MD, Inc.	624	0	192	72	38%	89	46%	27	14%
Fidelity Ins. Co./Maryland Fidelity Ins. Co.	5	5	50	18	36%	28	56%	4	8%
Fortis Benefits	0	0	1	0	0%	1	100%	0	0%
Fortis Health	1	0	1	1	100%	0	0%	0	0%

Carrier	Adverse Decisions		Grievances						
	Total	Adm n. Reversal	Total	Upheld		Overtumed		M odified	
Freestate Health Plan, Inc.	560	0	130	70	54%	42	32%	18	14%
George Washington University Health Plan	0	0	4	1	25%	3	75%	0	0%
Great West Life & Annuity Insurance Co.	0	0	7	6	86%	1	14%	0	0%
Group Dental Service of Maryland, Inc.	1038	78	245	56	23%	124	51%	70	29%
Group Hosp. & Medical Services, Inc.*	515	2	68	48	71%	20	29%	0	0%
Guardian Life Insurance Co. of America	187	1	77	25	32%	42	55%	10	13%
Highmark Life Insurance Company	0	0	1	0	0%	0	0%	0	0%
Kaiser Permanente Insurance Company	131	2	100	27	27%	73	73%	0	0%
Kanawha HealthCare Solutions, Inc.	0	0	5	2	40%	3	60%	0	0%
M.D. PA	480	0	97	56	58%	36	37%	5	5%
MAMSI Life & Health Insurance Co.	1685	0	299	160	54%	114	38%	25	8%
Mutual of Omaha Insurance Company	1	0	2	0	0%	1	50%	1	50%
Nationwide Life Insurance Company	2	0	3	1	33%	4	133%	0	0%
New York Life Insurance	2	0	2	0	0%	0	0%	0	0%
Optimum Choice, Inc.	4579	0	574	335	58%	188	33%	51	9%
Pacific Life and Annuity	0	0	4	1	25%	3	75%	0	0%
Preferred Health Network	83	0	89	51	57%	28	31%	10	11%
Prudential HealthCare Plan, Inc.	0	0	16	2	13%	14	88%	0	0%
Prudential Insurance Co. of America, Inc.	0	0	5	3	60%	2	40%	0	0%
Reliance Standard Life Insurance Co.	0	0	3	3	100%	0	0%	0	0%
Shenandoah Life Insurance Company	39	0	0	0	0%	0	0%	0	0%
The Mega Life & Health Insurance Co.	5	0	6	3	50%	6	100%	2	33%
UNICARE Life & Health Insurance Co.	14	0	9	13	144%	3	33%	0	0%

\* T/A Carefirst Blue Cross Blue Shield

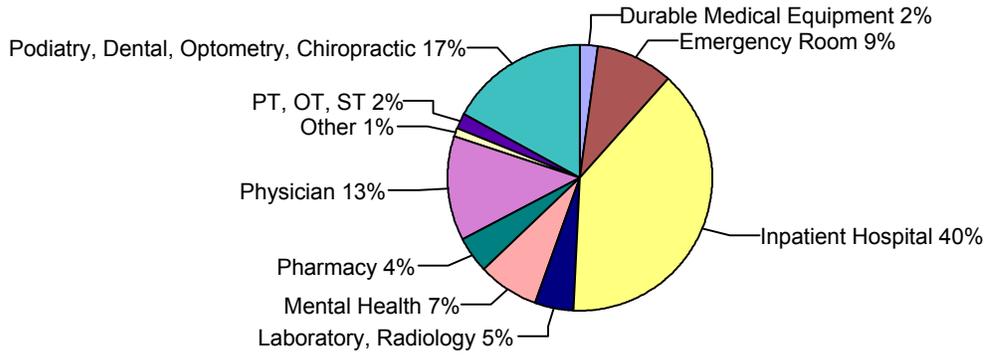
Carrier	Adverse Decisions		Grievances						
	Total	Adm n. Reversal	Total	Upheld		Overtuned		M odified	
United Behavioral-CoralGables, Fla.	2	0	1	1	100%	0	0%	0	0%
United Concordia DentalPlans, Inc.	0	0	11	6	55%	3	27%	2	18%
United Health Care of the M id-Atlantic	11	0	34	19	56%	15	44%	0	0%
United HealthCare Insurance Company	0	0	3	3	100%	0	0%	0	0%
United ofOm aha Life Insurance Co.	7	0	35	12	34%	22	63%	1	3%
United W isconsin Life Insurance Co.	37	11	52	0	0%	50	96%	2	4%
W ashington National Insurance Co.	0	0	2	2	100%	0	0%	0	0%
<b>Total</b>	<b>19686</b>	<b>246</b>	<b>3896</b>	<b>1830</b>	<b>47%</b>	<b>1710</b>	<b>44%</b>	<b>368</b>	<b>9%</b>

**Carrier Grievance Data**  
Outcomes of Internal Grievances  
FY 2002



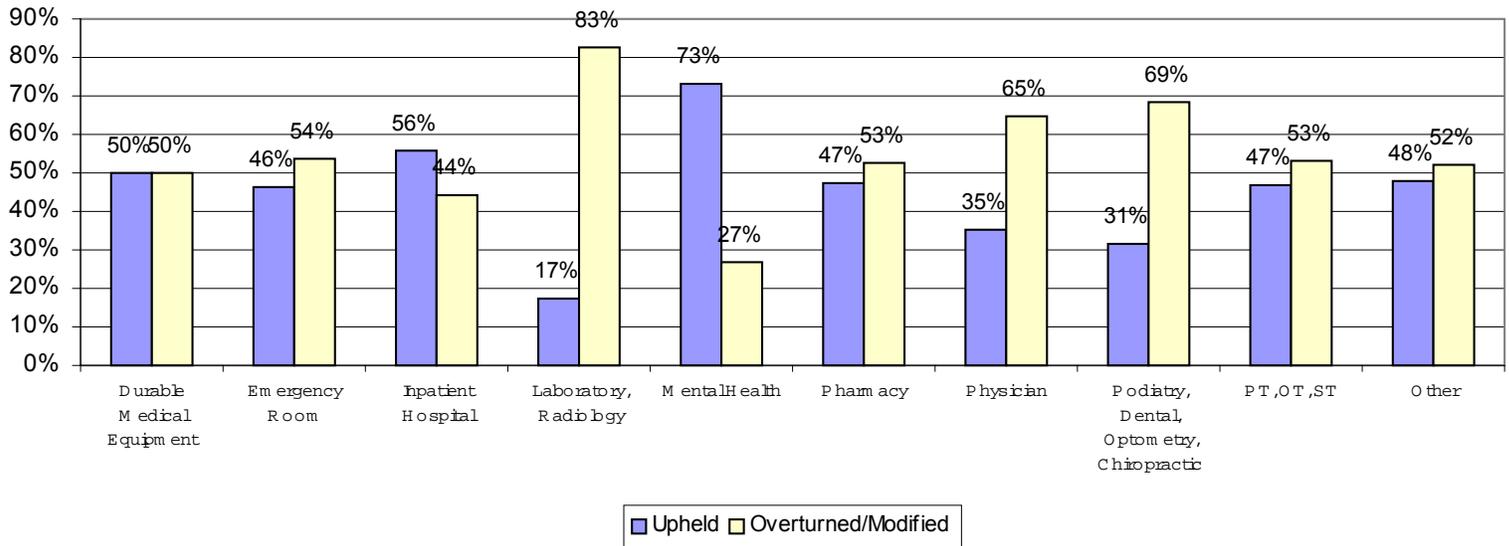
This chart describes the outcomes of the 3896 internal grievances reported by carriers during FY 2002.

**Carrier Grievance Data**  
**Type of Service Involved in Grievances**  
**FY 2002**



Carriers are required to report the type of service involved in the internal grievances they receive. The above chart details the types of services involved in internal grievances as reported by carriers in FY 2002.

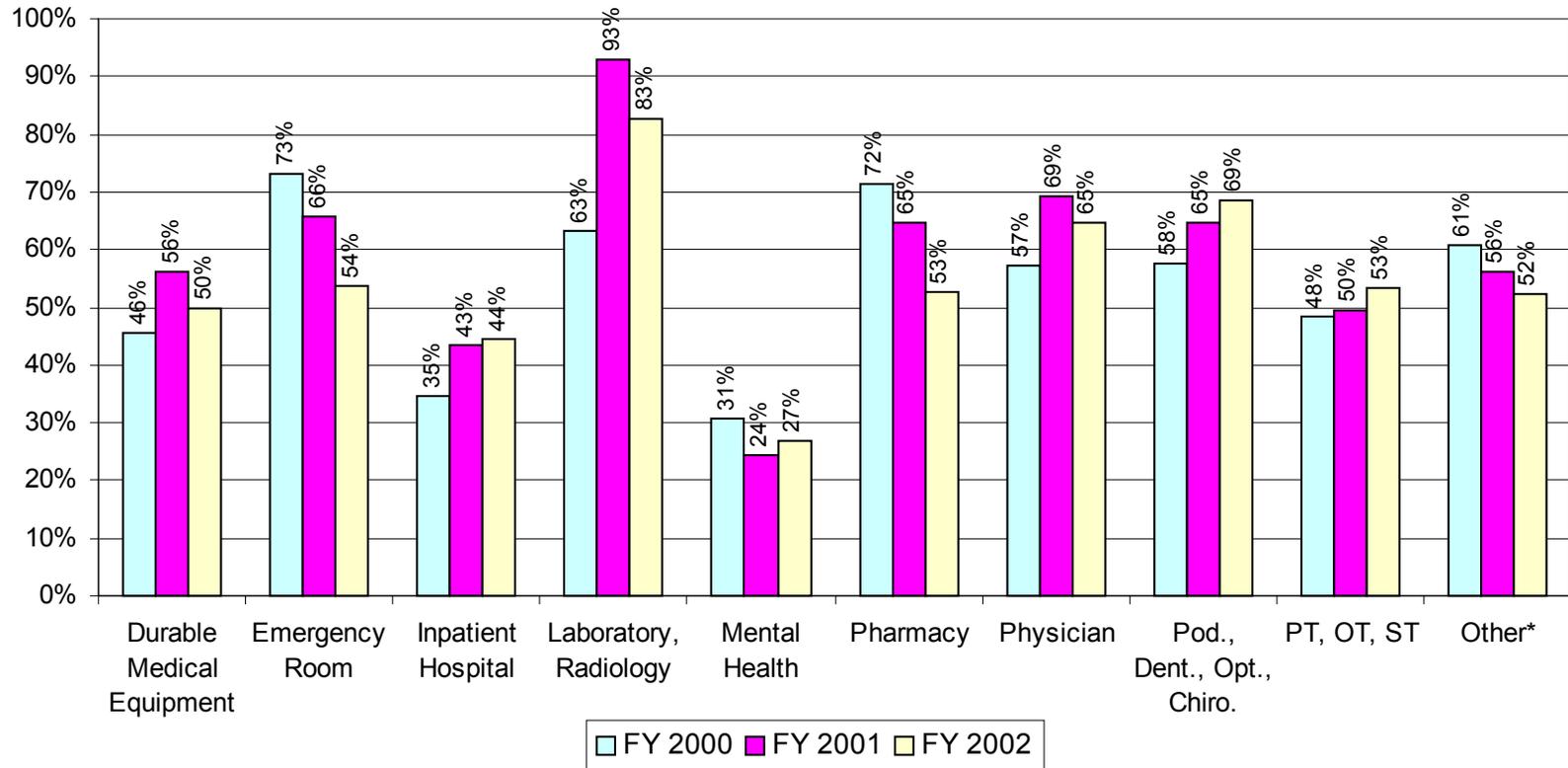
**Outcomes of Grievances by Type of Service**  
**FY 2002**



Carriers are required to identify the type of service involved in the internal grievances they receive as well as the outcomes of those grievances. This chart compares the variance in the outcome of grievances based upon the type of service being disputed in the grievance. This chart is based upon carrier reported data. The cases reported as overturned or modified have been combined to more clearly present the data.

# Carrier Grievance Data

## Percentage of Grievances Overturned or Modified Three Year Comparison

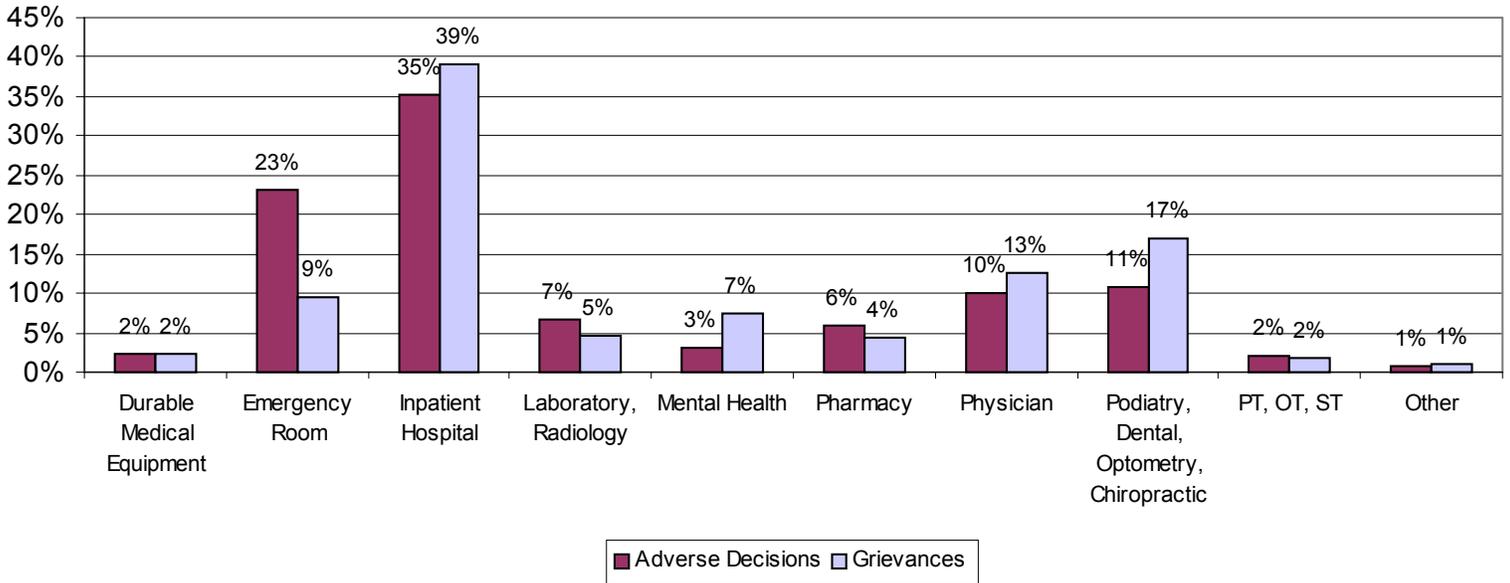


Carriers have been reporting their internal grievance data since January 1, 1999. This chart compares the percentage of cases reported as overturned or modified, comparing FY 2000, FY 2001, and FY 2002 outcomes as reported by the carriers.

## Carrier Data

### Adverse Decisions vs. Grievances

January 1 to June 30, 2002



Carriers were required to begin reporting adverse decisions on January 1, 2002. This graph represents six months of data.

# MIA Appeals and Grievances Complaints

## Complaints Listed by Carrier

### FY 2002

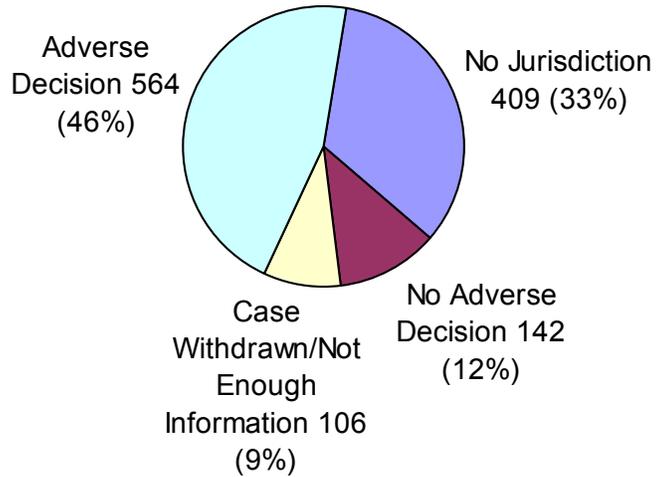
Carrier	Total	Carrier Upheld by MIA	Carrier Upheld by MIA %	Carrier Overturned by MIA	Carrier Overturned by MIA %	Carrier Modified by MIA	Carrier Modified by MIA %	Carrier Reversed Itself During Investigation	Carrier Reversed Itself During Investigation %
Aetna	23	8	35%	7	30%	0	0%	8	35%
BCBS of Maryland	78	44	56%	8	5%	5	6%	21	27%
CIGNA Dental	1	0	0%	0	0%	0	0%	1	100%
CIGNA	19	5	26%	1	10%	1	5%	12	63%
Coventry	5	0	0%	1	20%	0	0%	4	80%
Delmarva	1	1	100%	0	0%	0	0%	0	0%
Dental Benefit Providers	3	1	33%	1	33%	0	0%	1	33%
Educators Mutual	1	0	0%	0	0%	0	0%	1	100%
Fidelity Ins Co	4	1	25%	2	50%	0	0%	1	25%
Freestate	10	7	70%	1	10%	1	10%	1	10%
GE Financial	1	1	0%	0	0%	0	0%	0	0%
George Wash. Univ. Health	3	1	33%	0	0%	0	0%	2	67%
Group Hosp. & Med Services	5	2	29%	2	29%	0	0%	1	20%
Guardian	2	1	50%	0	0%	0	0%	1	50%
Kaiser Permanente	9	5	66%	1	11%	0	0%	3	33%
MAMSI	39	31	79%	1	3%	0	0%	7	18%
MD IPA	11	6	55%	5	45%	0	0%	0	0%
Mega Life & Health	1	0	0%	0	0%	0	0%	1	100%
Monumental Life	1	1	100%	0	0%	0	0%	0	0%
Mutual of Omaha	1	1	100%	0	0%	0	0%	0	0%

Carrier	Total	Carrier Upheld by MIA	Carrier Overturned by MIA	Carrier Modified by MIA	Carrier Reversed Itself During Investigation
Optimum Choice	36	18   50%	7   19%	0   0%	11   31%
PHN HMO	15	6   40%	2   29%	3   20%	4   27%
Prudential	1	1   100%	0   0%	0   0%	0   0%
Prison Health	1	0   0%	0   0%	0   0%	1   100%
United HealthCare	6	1   17%	0   0%	0   0%	5   83%
United Concordia-Dental	2	1   50%	0   0%	0   0%	1   50%
<b>TOTAL</b>	<b>279</b>	<b>143   51%</b>	<b>39   14%</b>	<b>10   4%</b>	<b>87   31%</b>

# MIA Complaints

## Complaints Reviewed by Appeals and Grievances Unit

### FY 2002



When the MIA Appeals and Grievances Unit receives a written complaint, it reviews it to determine:

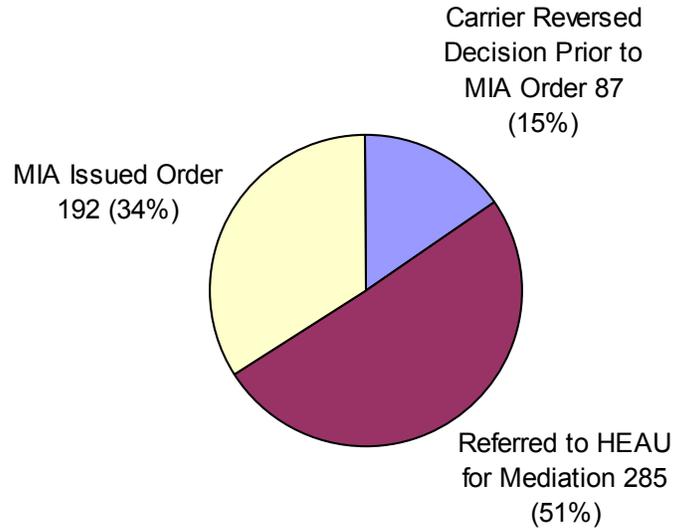
- Is the carrier subject to state jurisdiction?
- Does the complaint include a dispute of an adverse decision?

Some cases are withdrawn or there is not enough information to complete the review. This chart details the outcomes of MIA's review of cases during FY 2002.

# MIA Appeals and Grievances Complaints

## Disposition of Complaints

### FY 2002

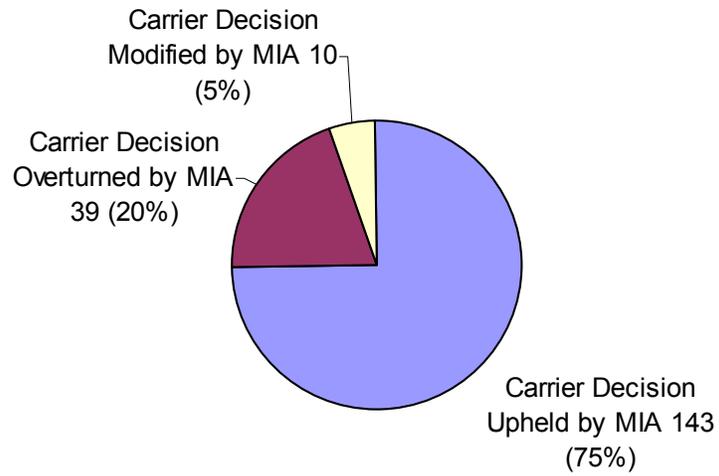


During FY 2002, MIA determined that 564 complaints challenged adverse decisions made by carriers that were subject to state jurisdiction. Cases in which the patient had not exhausted the carrier's internal grievance process were referred to HEAU. The remaining cases were either resolved by carriers during the review process or resulted in an MIA order.

# MIA Appeals and Grievances Complaints

## Results of MIA Orders

### FY 2002

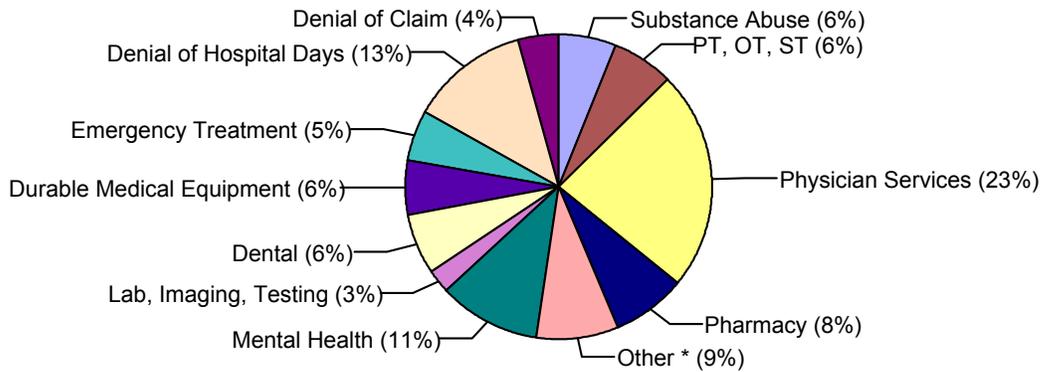


MIA issued 192 orders related to Appeals and Grievances Complaints during FY 2002. This chart describes the outcomes of those orders.

## MIA Appeals and Grievances Complaints

### Type of Service Involved in Complaints

FY 2002



The above chart identifies the types of services involved in Appeals and Grievances Complaints handled by MIA during FY 2002.

\* Includes Acupuncture, Assisted Living, Breast Reduction, Claim Payment, Experimental, Hospital Length of Stay, In-Patient Rehabilitation, Skilled Nursing and Transportation Services.

## Outcomes of Complaints by Type of Service

FY 2002

Type of Procedure	Total	Carrier Upheld by MIA	Carrier Overturned by MIA	Carrier Modified by MIA	Carrier Reversed Itself During Investigation
Acupuncture	2	2	100%	0	0%
Breast Reduction	4	2	50%	1	25%
Claim Payment	3	0	0%	0	0%
Denial of Claim	12	5	42%	2	17%
Denial of Hospital Days	35	16	46%	10	29%
Dental	18	10	56%	1	6%
Durable Medical Equipment	16	11	69%	2	13%
Emergency Treatment	15	7	47%	0	0%
Experimental	5	4	80%	1	20%
Hospital Length of Stay	3	2	67%	0	0%
Inpatient Rehabilitation	2	1	50%	0	0%
Lab, Imaging, Testing	7	3	43%	0	0%
Mental Health (Inpatient) Services	24	9	38%	2	8%
Mental Health (Outpatient) Services	6	1	17%	1	17%
Pharmacy	22	13	59%	1	5%
Physician Services	65	37	57%	9	14%
PT, OT, ST	18	10	56%	1	6%
Skilled Nursing	4	2	50%	2	50%
Substance Abuse (Inpatient) Services	15	6	40%	5	33%
Substance Abuse (Outpatient) Services	2	1	50%	1	50%
Transportation Services	1	1	100%	0	0%
<b>TOTAL</b>	<b>279</b>	<b>143</b>	<b>51%</b>	<b>39</b>	<b>14%</b>

This chart shows the outcomes of Appeals and Grievances Complaints handled by MIA during FY 2002. It shows how the outcome varies based upon the types of services involved in the complaints.

# HEAU Appeals and Grievances Cases

## Cases Listed by Carrier

### FY 2002

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
AARP	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Accordia National	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Administrators and Consultants	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Aetna US Healthcare	Not State Regulated	33	15	45%	18	55%
	State Regulated	17	6	35%	11	65%
	<b>Total HEAU Complaints</b>	<b>50</b>	<b>21</b>	<b>42%</b>	<b>29</b>	<b>58%</b>
AFGE Dental Trust	Not State Regulated	2	0	0%	2	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>100%</b>
Alliance	Not State Regulated	3	2	67%	1	33%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>2</b>	<b>67%</b>	<b>1</b>	<b>33%</b>
America's Choice Healthplans	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
American Republic Insurance Company	Not State Regulated	1	0	0%	1	100%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
APS HealthCare	Not State Regulated	2	2	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Ascendia Health Care Management	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Benefit Concept	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Best Life and Health Insurance Company	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Blue Cross Blue Shield of Illinois	Not State Regulated	1	0	0%	1	100%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
Blue Cross Blue Shield of Maryland	Not State Regulated	20	8	40%	12	60%
	State Regulated	30	6	20%	24	80%
	<b>Total HEAU Complaints</b>	<b>50</b>	<b>14</b>	<b>28%</b>	<b>36</b>	<b>72%</b>
Blue Cross Blue Shield of Michigan	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Blue Cross Blue Shield Of Pennsylvania	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Blue Cross Blue Shield of the National Capital Area	Not State Regulated	10	6	60%	4	40%
	State Regulated	20	6	30%	14	70%
	<b>Total HEAU Complaints</b>	<b>30</b>	<b>12</b>	<b>40%</b>	<b>18</b>	<b>60%</b>
Blue Cross Blue Shield Trigon	Not State Regulated	2	2	100%	0	0%
	State Regulated	2	0	0%	2	100%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>2</b>	<b>50%</b>	<b>2</b>	<b>50%</b>
Capital Care	Not State Regulated	1	0	0%	1	100%
	State Regulated	4	0	0%	4	100%
	<b>Total HEAU Complaints</b>	<b>5</b>	<b>0</b>	<b>0%</b>	<b>5</b>	<b>100%</b>
CARE Programs	Not State Regulated	2	0	0%	2	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>100%</b>
CareFirst	Not State Regulated	89	31	35%	58	65%
	State Regulated	141	42	30%	99	70%
	<b>Total HEAU Complaints</b>	<b>230</b>	<b>73</b>	<b>32%</b>	<b>157</b>	<b>68%</b>
CareFirst Administrators	Not State Regulated	4	1	25%	3	75%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>1</b>	<b>25%</b>	<b>3</b>	<b>75%</b>
Celtic Life Insurance Company	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
CIGNA	Not State Regulated	32	11	34%	21	66%
	State Regulated	15	3	20%	12	80%
	<b>Total HEAU Complaints</b>	<b>47</b>	<b>14</b>	<b>30%</b>	<b>33</b>	<b>70%</b>
CIGNA Dental	Not State Regulated	2	1	50%	1	50%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>1</b>	<b>33%</b>	<b>2</b>	<b>67%</b>

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Companion Life Insurance	Not State Regulated	2	2	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Connecticut General Life Insurance Company	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Correctional Medical Services	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Coventry Health Care	Not State Regulated	2	1	50%	1	50%
	State Regulated	2	0	0%	2	100%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>1</b>	<b>25%</b>	<b>3</b>	<b>75%</b>
Delmarva Health Plan	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Dental Benefit Providers, Inc.	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Employers Claims Adjustment Services	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Enterprise Group Planning, Inc.	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Fidelity Insurance	Not State Regulated	9	4	44%	5	56%
	State Regulated	7	3	43%	4	57%
	<b>Total HEAU Complaints</b>	<b>16</b>	<b>7</b>	<b>44%</b>	<b>9</b>	<b>56%</b>
Fortis Health Insurance Company	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
FreeState Health Plan	Not State Regulated	9	4	44%	5	56%
	State Regulated	20	6	30%	14	70%
	<b>Total HEAU Complaints</b>	<b>29</b>	<b>10</b>	<b>34%</b>	<b>19</b>	<b>66%</b>
George Washington University Health Plan	Not State Regulated	4	2	50%	2	50%
	State Regulated	3	0	0%	3	100%
	<b>Total HEAU Complaints</b>	<b>7</b>	<b>2</b>	<b>29%</b>	<b>5</b>	<b>71%</b>
Golden Rule Insurance	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Government Employees Hospital Association (GEHA)	Not State Regulated	2	1	50%	1	50%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
Great West Life & Annuity	Not State Regulated	2	2	100%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>2</b>	<b>67%</b>	<b>1</b>	<b>33%</b>
Group Dental Service of Maryland, Inc.	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Group Health Benefits	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Guardian Insurance Company	Not State Regulated	2	0	0%	2	100%
	State Regulated	2	0	0%	2	100%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>0</b>	<b>0%</b>	<b>4</b>	<b>100%</b>
Highmark Blue Cross Blue Shield	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>		<b>1</b>	<b>100%</b>
Johns Hopkins Employer Health Plan	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Kaiser Permanente	Not State Regulated	6	6	100%	0	0%
	State Regulated	12	1	8%	11	92%
	<b>Total HEAU Complaints</b>	<b>18</b>	<b>7</b>	<b>39%</b>	<b>11</b>	<b>61%</b>
Kaiser Senior Select Program	Not State Regulated	4	1	25%	3	75%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>1</b>	<b>25%</b>	<b>3</b>	<b>75%</b>
Magellan Behavioral Health	Not State Regulated	1	0	0%	1	100%
	State Regulated	2	1	50%	1	50%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>1</b>	<b>33%</b>	<b>2</b>	<b>67%</b>
Mail Handlers Benefit Plan	Not State Regulated	4	1	25%	3	75%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>1</b>	<b>25%</b>	<b>3</b>	<b>75%</b>
MAMSI Life & Health Insurance Company	Not State Regulated	7	4	57%	3	43%
	State Regulated	24	10	42%	14	58%
	<b>Total HEAU Complaints</b>	<b>31</b>	<b>14</b>	<b>45%</b>	<b>17</b>	<b>55%</b>
MDIPA	Not State Regulated	6	0	0%	6	100%
	State Regulated	3	0	0%	3	100%
	<b>Total HEAU Complaints</b>	<b>9</b>	<b>0</b>	<b>0%</b>	<b>9</b>	<b>100%</b>

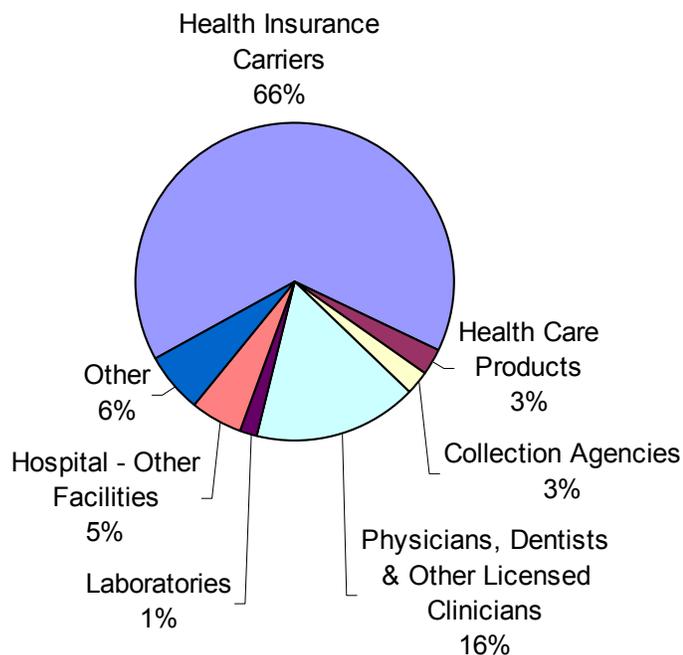
HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Medicare Complete of United Healthcare	Not State Regulated	6	2	33%	4	67%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>6</b>	<b>2</b>	<b>33%</b>	<b>4</b>	<b>67%</b>
Medicare Part B Trailblazers	Not State Regulated	5	0	0%	5	100%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>6</b>	<b>0</b>	<b>0%</b>	<b>6</b>	<b>100%</b>
MediCareFirst	Not State Regulated	6	2	33%	4	67%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>6</b>	<b>2</b>	<b>33%</b>	<b>4</b>	<b>67%</b>
MediChoice Maryland, Elder Health Maryland, HMO, Inc.	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Mega Life & Health Insurance	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Merck Medco Rx Services	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	1	100%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
NCAS	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Operating Engineers Local 37 Benefit Fund	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Optimum Choice	Not State Regulated	6	6	100%	0	0%
	State Regulated	26	9	35%	17	65%
	<b>Total HEAU Complaints</b>	<b>32</b>	<b>15</b>	<b>47%</b>	<b>17</b>	<b>53%</b>
PCS Health Systems	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Performax	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Preferred Health Network	Not State Regulated	2	0	0%	2	100%
	State Regulated	12	1	8%	11	92%
	<b>Total HEAU Complaints</b>	<b>14</b>	<b>1</b>	<b>7%</b>	<b>13</b>	<b>93%</b>
Primary PhysiciansCare	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

HEAU Appeals & Grievances Cases by Carrier		Total	Upheld		Overturned/Modified	
Private Healthcare Systems	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
Prudential	Not State Regulated	3	2	67%	1	33%
	State Regulated	4	1	25%	3	75%
	<b>Total HEAU Complaints</b>	<b>7</b>	<b>3</b>	<b>43%</b>	<b>4</b>	<b>57%</b>
Smithfield Foods Health Care Plan	Not State Regulated	1	1	100%	0	0%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
The Loomis Company	Not State Regulated	2	1	50%	1	50%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>
Tricare	Not State Regulated	1	0	0%	1	100%
	State Regulated	0	0	0%	0	0%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
UNICARE	Not State Regulated	1	0	0%	1	100%
	State Regulated	2	0	0%	2	100%
	<b>Total HEAU Complaints</b>	<b>3</b>	<b>0</b>	<b>0%</b>	<b>3</b>	<b>100%</b>
United American Insurance Company	Not State Regulated	0	0	0%	0	0%
	State Regulated	1	0	0%	1	100%
	<b>Total HEAU Complaints</b>	<b>1</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>
United Concordia Companies, Inc.	Not State Regulated	0	0	0%	0	0%
	State Regulated	4	2	50%	2	50%
	<b>Total HEAU Complaints</b>	<b>4</b>	<b>2</b>	<b>50%</b>	<b>2</b>	<b>50%</b>
United Healthcare	Not State Regulated	4	1	25%	3	75%
	State Regulated	3	1	33%	2	67%
	<b>Total HEAU Complaints</b>	<b>7</b>	<b>2</b>	<b>29%</b>	<b>5</b>	<b>71%</b>
United Healthcare of the Mid-Atlantic	Not State Regulated	22	13	59%	9	41%
	State Regulated	22	4	18%	18	82%
	<b>Total HEAU Complaints</b>	<b>44</b>	<b>17</b>	<b>39%</b>	<b>27</b>	<b>61%</b>
<b>Total</b>	<b>Not State Regulated</b>	<b>341</b>	<b>144</b>	<b>42%</b>	<b>197</b>	<b>58%</b>
	<b>State Regulated</b>	<b>396</b>	<b>108</b>	<b>27%</b>	<b>288</b>	<b>73%</b>
	<b>Total HEAU Complaints</b>	<b>737</b>	<b>252</b>	<b>34%</b>	<b>485</b>	<b>66%</b>

# HEAU Cases

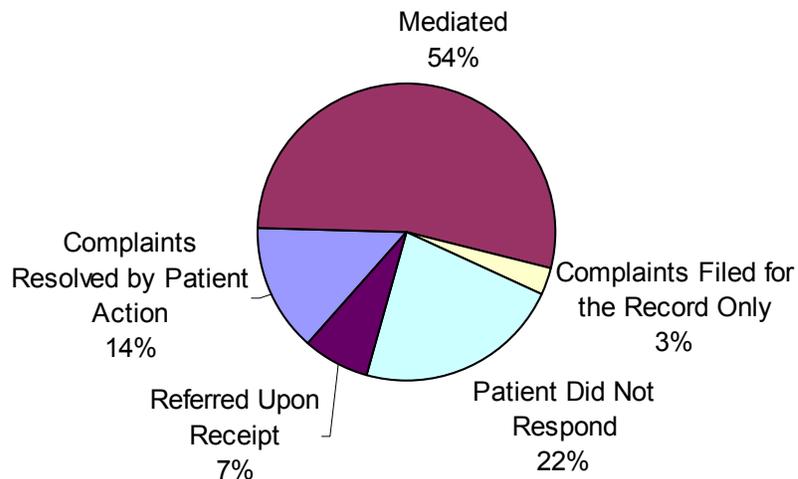
## Who Are Cases Filed Against?

### FY 2002



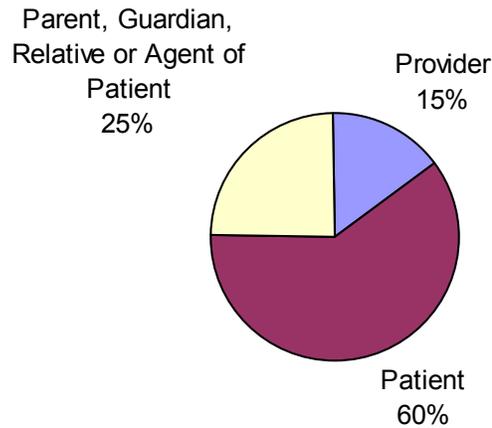
The HEAU mediates several types of patient disputes with health care providers and health insurance carriers. Most complaints involve provider billing or insurance coverage issues, but HEAU cases also involve helping patients obtain copies of their medical records, mediating disputes related to sales and service problems with health care products and assisting patients with various other problems encountered in the healthcare marketplace. This chart shows the types of industries against which complaints were filed with HEAU during FY 2002.

## HEAU Appeals and Grievances Cases Disposition of Cases FY 2002



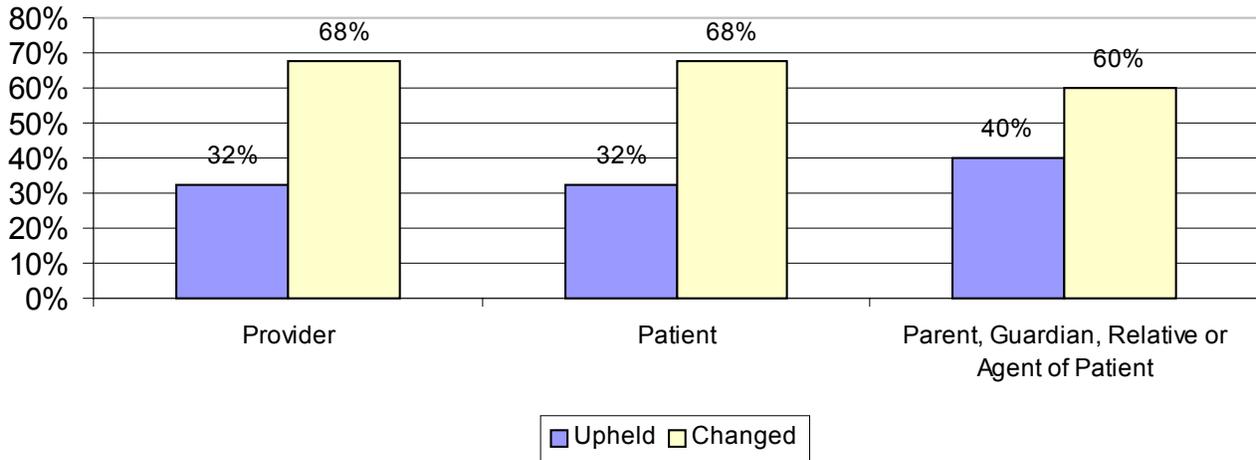
The HEAU closed 1366 cases related to patients who disputed carrier adverse decisions. However, not all of these cases were mediated by HEAU. While the majority of these cases are mediated, some are filed for the record only and others are resolved by patients without direct HEAU assistance. In 22% of the cases, patients did not respond to HEAU's request for additional information, most often by not providing a form authorizing carriers and providers to release information to the HEAU. This chart shows the disposition of all Appeals and Grievances cases closed by HEAU during FY 2002.

## HEAU Appeals and Grievances Cases Who Filed Case? FY 2002



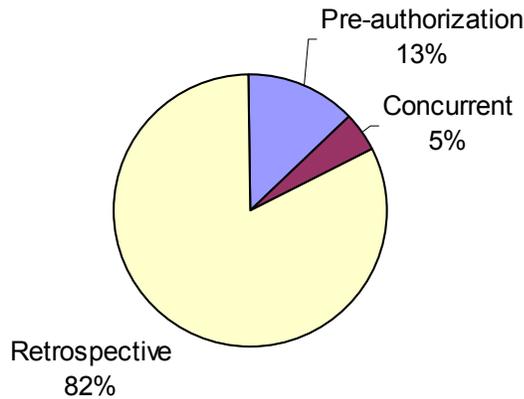
Cases may be filed on behalf of patients by providers, parents, relatives or other agents of patients. The above chart indicates who filed cases with HEAU.

## Outcomes Base Upon Who Filed Case FY 2002



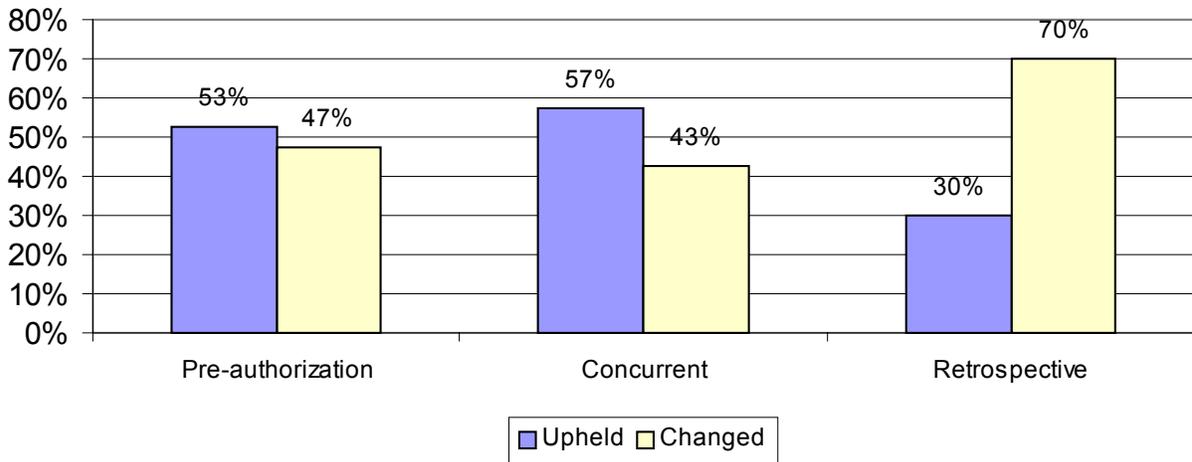
This chart shows the outcome of Appeals and Grievances Cases mediated by HEAU during FY 2002. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

**HEAU Appeals and Grievances Cases**  
**Timing of Adverse Decision**  
**FY 2002**



Carriers may issue adverse decisions before (pre-authorization), during (concurrent) or after (retrospective) treatment. This chart indicates when the adverse decisions were issued in Appeals and Grievances Cases mediated by HEAU during FY 2002.

**Outcomes Based Upon Timing of Adverse Decision**  
**FY 2002**

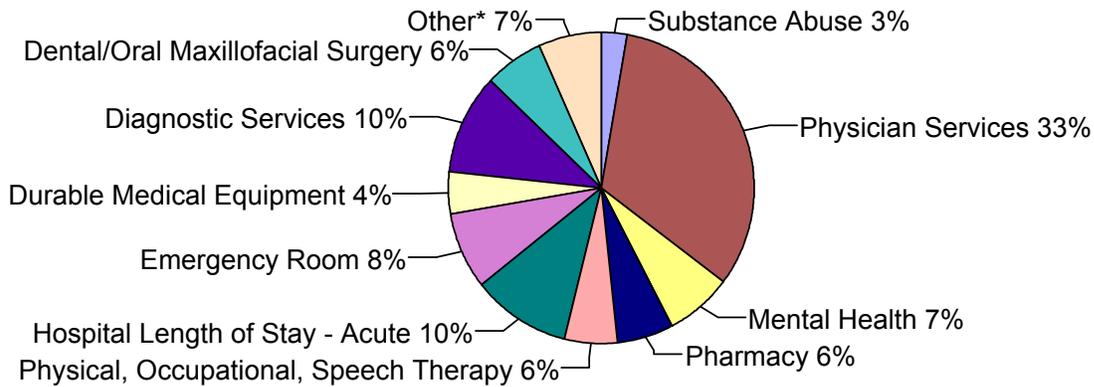


This chart shows the outcomes of Appeals and Grievances Cases mediated by HEAU during FY 2002.

## HEAU Appeals and Grievances Cases

### Type of Service Involved in Cases

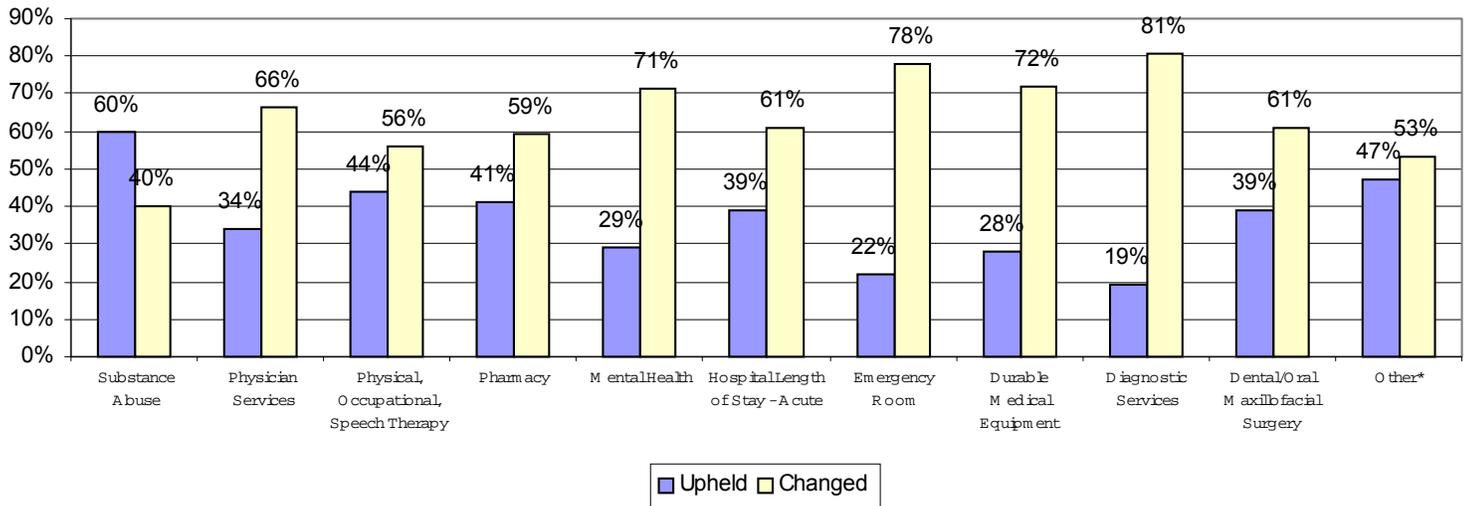
FY 2002



The above chart identifies the types of services involved in Appeals and Grievances cases mediated by HEAU during FY 2002.

## Outcomes of Cases by Type of Service

FY 2002

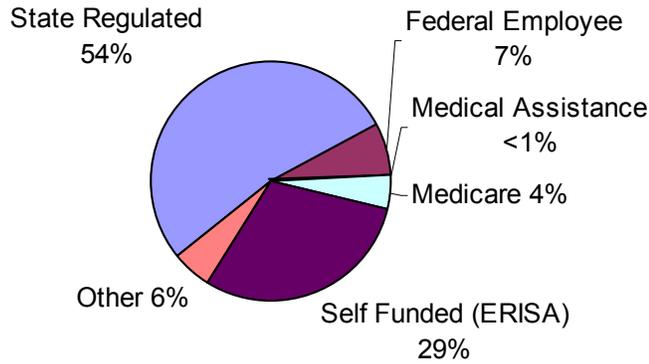


This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2002. It shows how the outcome varies based upon the types of services involved in the cases. Cases resulting in carriers overturning or modifying adverse decisions have been combined for this chart.

\* In both of the above charts, Other includes: Acupuncture, Chiropractic, Habilitative Services, Home Health, Inpatient Physical Rehabilitation - Subacute stay, Optometry, Podiatry, Products and Supplements, Skilled Nursing Facility, Transport and Other cases where the Type of Service did not fit an existing category.

## HEAU Appeals and Grievances Cases

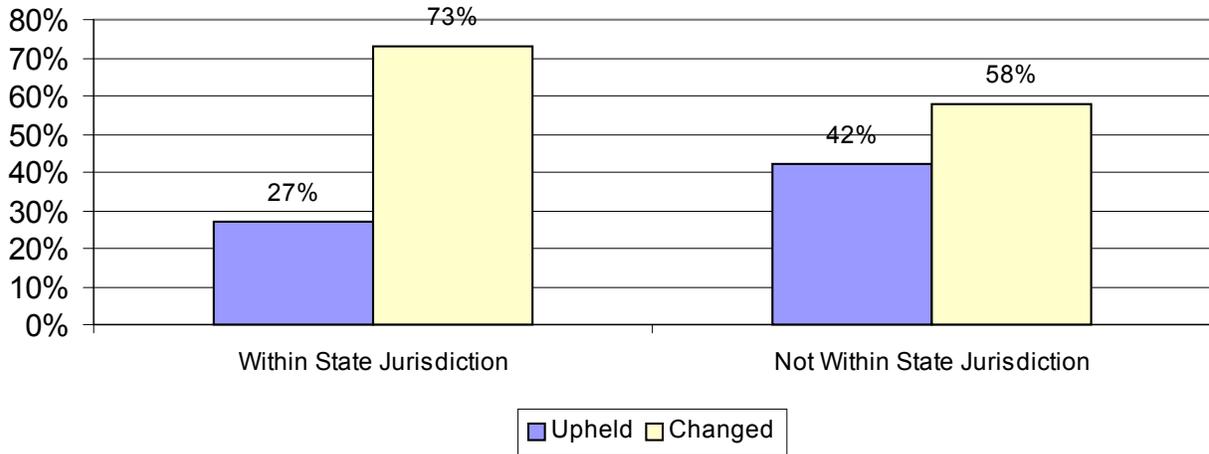
### Types of Carrier FY 2002



The above chart identifies the types of carriers involved in the Appeals and Grievances cases mediated by HEAU during FY 2002.

## Outcomes of Cases by Regulatory Authority

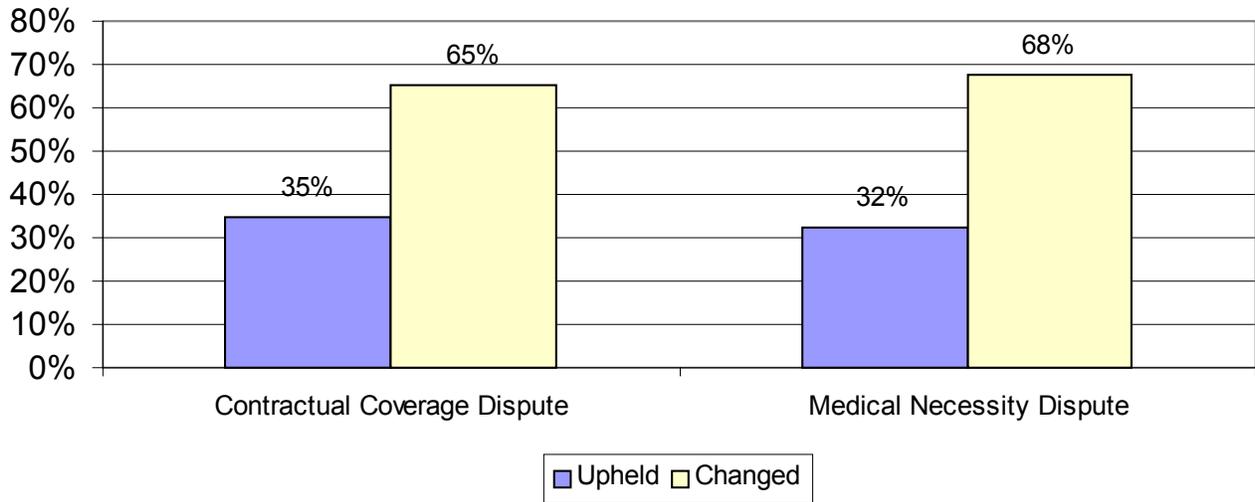
### FY 2002



This chart shows the outcomes of Appeals and Grievances cases mediated by HEAU during FY 2002. It shows how the outcome varies based upon whether the carrier is within state jurisdiction\*.

\* Carriers not within state jurisdiction include Self-insured, Federal Employee, Medical Assistance, Medicare, Military and Out-of-State plans.

## HEAU Appeals and Grievances Cases Outcomes of Cases by Type of Decision FY 2002



FY 2002 is the first full year of data for contractual coverage disputes. This chart compares the outcomes of medical necessity and contractual coverage disputes.